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IT'S

**REA
CO-OP**

YOUR

BUSINESS

U. S. DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

PA 117

A MID-CENTURY PROGRESS REPORT FOR MEMBERS OF RURAL ELECTRIC CO-OPS

IT'S YOUR BUSINESS

YOUR rural electric cooperative belongs to you and your neighbors. It was organized to help you improve your living standards, reduce drudgery, and achieve more efficient farm production. It has done just that!

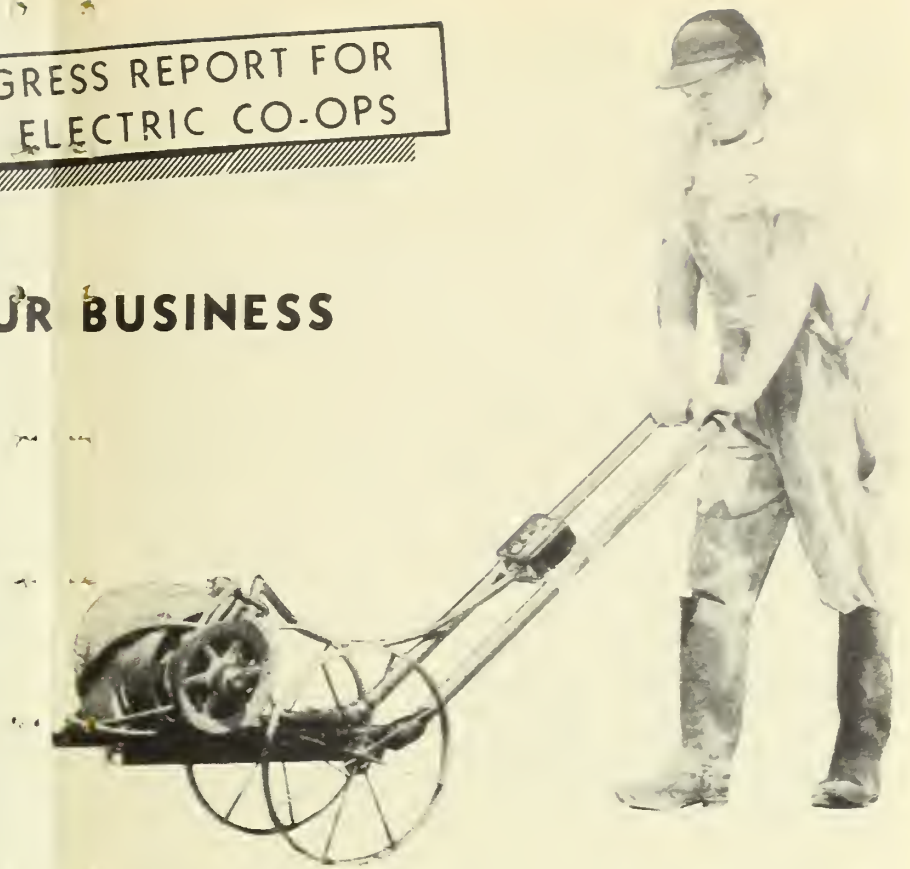
When the REA program was launched in 1935, only about 11 percent of the Nation's farms had central-station electric service. Today, about 85 percent have it. All over America, farmers have installed electric ranges, refrigerators, water systems, and other modern conveniences. They are using electricity in dairying, in raising pigs and poultry, and in dozens of other ways. They are up front in the parade of progress.

Although funds were borrowed from the Rural Electrification Administration to finance necessary co-op facilities, your co-op is not an agency of the Federal Government. The loan is to be repaid, with interest, out of the payments you make for electric service, and in due time the mortgage will be paid off. Meanwhile, since your co-op is incorporated, you have no personal liability for its debts.

Your co-op is a business-managed, tax-paying corporation, organized on a nonprofit basis to serve you at cost. Locally owned and controlled, it operates in accordance with the best traditions of the American free-enterprise system.

It is impossible for your co-op to tell exactly what it will cost to operate in any given year. To be on the safe side, it collects from you and your neighbors a little more than what it will take to meet operating expenses and general overhead. Normally this margin would be refunded at the end of the year, but your co-op still owes money to REA and needs this cash to make sure it has enough to meet these obligations as they fall due. Payments in excess of cost by a member to his co-op are credited to him under the capital-credits plan which has been adopted by many co-ops. When a co-op with the plan has accumulated sufficient capital so it can safely do so, these payments will be refunded to the members.

Just as a tractor requires care if it is to serve you properly, so your co-op needs your participation if it is to give you the best possible service. Your directors are elected at annual meetings, and they formulate policies



which are vital to the welfare of your community. If you attend these annual meetings and vote, if you let your directors know how you want your business run, you can look to the future with confidence.

Many co-ops are encouraging joint memberships for husbands and wives, and wives are proving enthusiastic cooperators. Either husband or wife can vote where such a plan is in effect. If the husband cannot attend an annual meeting, his wife may represent their joint membership.

More and more co-op members are awakening to the need for occasional reinspections of their farmstead wiring. As they add electrical appliances and equipment, they often find their original wiring cannot take care of the present load. That brings fire hazards; also it explains many blown fuses and much poor performance. Reinspections reveal weak spots, so the member can eliminate them.

Where the trouble is more serious—where members cannot get sufficient power for lights and ranges and motors—your co-op may be having difficulty in getting an adequate, dependable supply of power from existing sources at a reasonable cost. A number of co-ops have solved this problem by building generation and transmission facilities with funds loaned by REA. And in

some instances, co-ops have integrated their systems with hydro-generating systems—either public or private.

REA has made generation and transmission loans only where adequate or dependable power could not be obtained or where such a loan would enable the co-op to get power at less than it would pay otherwise. Where the issue has been met successfully, co-op members are assured of abundant power at prices they can afford.

With 85 percent of the Nation's farms now receiving central-station electric service, many co-ops are nearing their goal of full area coverage. But often it requires foresight for a co-op to push forward to the finish line. Sometimes the few farms still without service are in sparsely settled areas . . . and the immediate revenue to be obtained from them looks small. That is the short-range view. Co-op leaders who take the long-range view look backward as well as forward. They remember that a few, brief years ago they were unable to obtain electricity from existing suppliers . . . that they had to organize a co-op to get the service they needed so desperately. Those leaders know how electricity helped them to better living and greater productivity . . . and they know it can do the same for their neighbors who today are in the position the leaders occupied a few years ago.

Looking backward, Rural Americans can see the many improvements which electricity brought to farm life during the first half of the twentieth century. Looking forward, they view an era of electrified farming . . . with abundant production and better living.

